

Indiana House of Representatives

News and Information

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REP. OXLEY CALLS FOR PERMANENT REPEAL OF GASOLINE SALES TAX

INDIANAPOLIS – State Rep. Dennie Oxley (D-English) called upon Gov. Daniels to suspend the gasoline sales tax until the 2007 session of the Indiana General Assembly when legislators can permanently repeal the tax.

Indiana House Democrat Leader B. Patrick Bauer of South Bend made the initial request of the governor last week as well as a pledge to push for the permanent elimination of the tax during the next legislative session. A couple of weeks ago, Bauer urged Attorney General Steve Carter to look into possible price gouging at the pump. Carter refused the request.

"Indiana's families are living in a crisis situation right now," said Oxley. "They are trying to survive financially while gasoline, an essential, keeps rising rapidly each week. Unfortunately, our state government has profited off the gasoline price gouging and it should not. Forty-three states do not have a sales tax on gasoline and we need to become the 44th. A moratorium is critical to the well-being of Hoosier families and Gov. Daniels needs to act now with an immediate suspension of the tax."

Since Daniels took the oath of office in January 2005, the state has collected \$156 million more in sales tax revenue than originally budgeted because of soaring gasoline prices.

Studies have shown that consumers who do not pay gasoline sales tax spend most of that money they save on other taxable goods. Some economists believe that tax relief stimulates the economy. Oxley said this particular tax relief would greatly benefit middle income and poor Hoosiers who are struggling with the high cost of gasoline they need to go to work every day.

"Oil companies are making billions of dollars in profits every quarter and our state is literally profiteering off of those questionable, constant increases in gasoline prices," commented Rep. Oxley. "That's not right and not fair to Hoosiers. It is time to give that money back to Indiana families so they can try to make ends meet during these times of great financial challenge."

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